

MEMO

DATE: March 27, 2006

TO: Regional Comprehensive Plan Task Force

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SUBJECT: Energy Chapter Outcomes and Indicators

SUMMARY:

Staff has been involved in various activities related to energy including:

- Coordinating the Southern California Energy Conference
- Revising the preliminary draft Energy Chapter
- Forming the Energy Working Group
- Preparing to hire a consultant to assist with the Energy Chapter
- Exploring partnerships with Southern California Edison

In July 2005, the Regional Comprehensive Plan (RCP) Task Force reviewed a preliminary draft Energy Chapter and provided input for the formation of the Energy Working Group. This item is intended to promote discussion of goals and measurable outcomes for the chapter.

BACKGROUND:

PRELIMINARY ENERGY OUTCOMES/INDICATORS:

The primary purpose of the discussion for the RCP Task Force is to further develop outcome concepts. In part, this discussion can be informed by the themes covered in the March 10 Energy Conference. Major themes from the conference include; an understanding of energy in our history, the decline of world oil and natural gas production, and strategies to reduce oil and natural gas demand. A review of the conference will be presented at the RCP Task Force meeting on March 28, 2006.

The preliminary draft Energy Chapter currently includes a list of potential outcomes and goals as shown below. These outcomes will be refined through the planning process, with input from the Energy Working Group and the RCP Task Force.

Per capita electricity consumption

Is the per capita electricity consumption increasing or decreasing? The region's goal should be to reduce per capita consumption.

Per capita travel fuel consumption

Is the per capita travel fuel consumption increasing or decreasing. The region's goal should be to reduce travel fuel consumption.

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Energy imports

Electricity

Is the region importing more or less energy from out of state and out of the country?

Travel fuel

Is the region importing more or less travel fuel from out of state and out of the country?

Percentage share of renewable energy in energy mix

Is the percentage share of renewable energy increasing?

LEED-certified buildings

Are the number of LEED-certified buildings increasing?

Automobile fuel efficiency

Are automobiles becoming more fuel efficient?

Percentage share of alternative fuel vehicles/hybrid vehicles

Is the percentage share of alternative fuel/hybrid vehicles increasing?

CURRENT EFFORTS:

Southern California Energy Conference: *Our Energy Future* – Over 150 participants, including elected officials and representatives from various agencies and cities, heard from international experts on the mounting liquid fuels problem as well as mitigation measures and alternatives. Major themes from the conference include; an understanding of energy in our lives, the decline of world oil and natural gas production, and strategies to reduce demand. The conference was a huge success and served as an exciting kick-off to our planning efforts.

Preliminary Draft Energy Chapter – The RCP Task Force and the Energy and Environment Committee (EEC) has reviewed the preliminary draft Energy Chapter. The EEC approved release of the preliminary draft in September 2005. Staff has subsequently updated the chapter with recently released data from the California Energy Commission and the California Public Utilities Commission. Additional work will be undertaken with input from the Energy Working Group.

Energy Working Group – Staff prepared a list of participants based on input from the RCP Task Force and the Energy and Environment Committee. The Regional Council approved the formation of an Energy Working Group in December 2005. Staff will form the Energy Working Group to assist in the development of the chapter and to explore issues raised at the Energy Conference. The first meeting will be held within one to two months.

Consultant Funding – The Regional Council has approved funds for a consultant to assist with the Energy Chapter during the 06-07 fiscal year. The main objective of this work program is to develop a fact-based, integrative analysis of SCAG's energy needs through 2030 and to guide policies in the Energy Chapter of the RCP. Another objective of this work program is to consult with State and local energy planners with a role in energy planning. To this end, the consultant will work with the Energy Working Group to understand each organization's planning process.

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The products for this work element include:

- A technical study of energy supply and demand in the SCAG region
- A series of best practices recommendations (mitigation strategies) on energy planning at the local level
- Quantifiable plan outcomes for energy.

San Gabriel Valley Energy Efficiency Partnership – SCAG has been working with Southern California Edison (SCE) to enter into a pilot program that would implement the partnership through 2008. The San Gabriel Valley Energy Efficiency Program (SGVEEP) is a proposed energy efficiency partnership between SCAG, SCE, and cities in the San Gabriel Valley. The Program would consist of several components centered on energy efficiency and energy education. The primary purpose of SGVEEP is to allow City facilities to lower operating costs and reduce demand by improving energy efficiency in new and existing facilities. The goal is to reduce energy demand by 2.7 million kWh over the three year program. Staff, including SCAG's CFO and legal counsel, has been involved in the numerous discussions with SCE. The final agreement will be submitted to the EEC and Regional Council for approval in April 2006.

CURRENT ENERGY POLICIES:

The preliminary draft Energy Chapter currently lists 13 policies. Seven of the policies have been adopted by the Regional Council through either the SCAG Growth Vision (Compass) or through mitigation measures identified in the 2004 Regional Transportation Plan Environmental Impact Report.

The last six policies have been items moved for inclusion by the EEC but have not been approved by the Regional Council. The draft policies are identified with an asterisk *.

Energy Policy 1: Develop strategies to accommodate growth that use resources efficiently, eliminate pollution, and significantly reduce waste. - SCAG Growth Vision, Policy 72

To reduce the overall consumption of fossil fuels, particularly petroleum, SCAG policies encourage the use of alternative fuel vehicles and transit:

Energy Policy 2: Encourage local jurisdictions to purchase alternative fuel vehicles, support the installation of refueling infrastructure, planning, education, and outreach to promote alternative fuel vehicles, support the development of legislation, programs, funding, and technology which addresses clean fleets and alternative fuels. - SCAG Resolution 145

Energy Policy 3: Encourage investment in transit. – SCAG Growth Vision, Policy 72

SCAG enacted policies to show their support for clean energy generation in an effort to develop sustainable energy generation and to develop the power plants in an environmentally sustainable way.

Energy Policy 4: Oppose current power plant projects at the US-Mexico border, until California Best Available Control Technologies are installed and maintained on all power plants along the border. - SCAG Resolution 144

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Energy Policy 5: Support only the use of the best available technology including monitoring, air, and water impacts for locating any nuclear waste facility. – SCAG Resolution 148

SCAG is required to implement the mitigation measures listed in its Mitigation, Monitoring, and Reporting Program of the 2004 Regional Transportation Plan (RTP) Program Environmental Impact Report (PEIR). The mitigation measures are part of the Action Plan. Mitigation measures addressing energy include:

Energy Policy 6: Work with local jurisdictions and energy providers, through [SCAG's] Energy and Environment Committee and other means, to encourage regional-scale planning for improved energy management. Future impacts to energy shall be minimized through cooperative planning and information sharing within the SCAG region. This cooperative planning shall occur during the update of the Energy chapter of SCAG's Regional Comprehensive Plan and Guide. – SCAG EIR Policy 172

Energy Policy 7: Encourage state and federal lawmakers and regulatory agencies to pursue the design of programs to either require or incentivize the expanded availability and use of alternative-fuel vehicles to reduce the impact of shifts in petroleum fuel supply and price. – SCAG EIR Policy 171

In reviewing SCAG energy policies as part of the 2004 Regional Comprehensive Plan development, the RCP Task Force noted that SCAG lacked an energy generation policy. Because of the region's forecasted population growth, new sources for power will be necessary and will require additional delivery infrastructure. At a workshop on Regional Energy Policy on April 29, 2005, attendees recommended several policies and resolutions. On July 7, 2005, the EEC approved the proposed policies below. These policies have not been approved by the SCAG Regional Council.

Energy Policy 8: Encourage cost-effective alternative and renewable energy generation facilities *

Energy Policy 9: Encourage reliable energy through the diversification of sources *

Energy Policy 10: Encourage cogeneration, where feasible and cost-effective.*

Energy Policy 11: Encourage greater coordination between the California Public Utilities Commission and Independent Service Operator. *

Energy Policy 12: Encourage increasing capacity of existing transmission lines, where feasible.*

SCAG has no adopted policy on energy conservation. There are policies related to air quality and transportation that have the same effect as conservation, as it relates to congestion mitigation, (Policy Reference: RTP 14, 15, 16, 17, 18, 19, 20, 21, 22, 23) but not static energy usage (lighting, heating, etc.). However, energy conservation policy will continue to be addressed through the RCP planning process. This process will include input from various energy stakeholders through the proposed Energy Working Group. Currently, one energy conservation policy has been recommended during the workshop on Regional Energy Policy on April 29, 2005 and subsequently approved by the EEC on July 7, 2005.

Energy Policy 13: Encourage the public and private sectors to use energy efficient materials in building design, construction, rehabilitation and retrofit.*

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